



# Defense Energy Support Center



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## 2004 Worldwide Energy Conference

### *Military Construction Program Sustainment, Restoration and Modernization Program*

**John E. Russell, Jr. P.E.**  
**Chief, Engineering Plans and Services Division**  
**Facilities and Distribution Business Unit**  
**September 30, 2004**



# Facilities Sustainment Model



## Background

- **OSD began developing 5-6 years ago**
- **DLA and Service reps participated**
- **67 year recapitalization rate**
- **Restore readiness to existing facilities**



# Facilities Sustainment Model Makeup



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S



RM

Sustainment

Restoration &  
Modernization



# Facilities Sustainment Model Definitions



## Facilities Sustainment

Provides resources for maintenance and repair activities necessary to keep an inventory of facilities in good working order. Includes regularly scheduled maintenance and major repairs or replacement of facility components (usually accomplished by contract) that are expected to occur periodically throughout the life cycle of facilities.

## Facilities Restoration & Modernization

Provides resources for improving facilities. Restoration includes repair and replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident, or other causes. Modernization includes alteration of facilities solely to implement new or higher standards, to accommodate new functions, or to replace building components that typically last more than 50 years.



# Facilities Sustainment Model



## Projected Sustainment Rates

**Based on FY04 President's Budget data:**

	FY04	FY05	FY06	FY07	FY08	FY09
<b>Services</b>	<b>94%</b>	<b>94%</b>	<b>90%</b>	<b>91%</b>	<b>100%</b>	<b>100%</b>
<b>DLA (WCF)</b>	<b>42%</b>	<b>41%</b>	<b>40%</b>	<b>40%</b>	<b>103%</b>	<b>103%</b>



# **MID-909**

## **Directives**



- **Comprehensive facilities study**
- **Demolition of unneeded infrastructure**
- **Study to outsource DESC**



# MID-909

## Facilities Study



- **Independent, comprehensive survey of fuel facilities worldwide that are currently storing and/or distributing DLA “capitalized” fuels for which DLA has SRM responsibility in order to determine and/or identify:**
  - **Current operational status & condition**
  - **Facility readiness**
  - **Compliance with US and Foreign Regulatory governing standards**
  - **Facility upgrade (MR&E) requirements**
  - **Facility demolition and replacement (MILCON) requirements**
- **Study commenced FY04 and concludes FY05**
- **Capitalized Sites: 550 store DLA owned product**
- **OSD appropriated \$15.5M in FY04 and \$9.4M in FY05**
- **Shaw Environmental was awarded contract**
- **Approximately 175 sites (32%) surveyed to date**



# MID-909

## Demolition



0 appropriated \$7.2M in FY04 and \$19.1M in FY05

### FY04

15 Air Force

8 Army\_\_\_\_\_

13 Navy

36 projects

\$7.2M committed

### FY05

34 Air

Force

4 Army

-

\_\_\_\_\_  
22 Navy

62

projects

potential for additional funding in FY06 and FY07





# MILCON Program Background



- **Appropriated / authorized by Congress each year**  
**DoD budget / authorization bills**
  - > Congress looking at next year
  - > DESC/DLA/Services working four FYs out
- **\$750K threshold - new construction / replacement**
- **DLA is program manager (\$)**
- **DESC is technical program manager, including**
  - > Review of documentation
  - > Oversight of project prioritization process



# MILCON Program

## IPRB



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- **Co-chaired by DESC Deputy Director, Operations and JCS Representative**
- **Voting Members**
  - • **USCC JPO Representatives**
  - • **Service Energy Office Representatives**
  - • **DESC Representatives**



# MILCON Program

## MPP Weighted Categories



**SELECT PROJECTS**

**MISSION**

**ENVIRONMENTAL INFRASTRUCTURE**

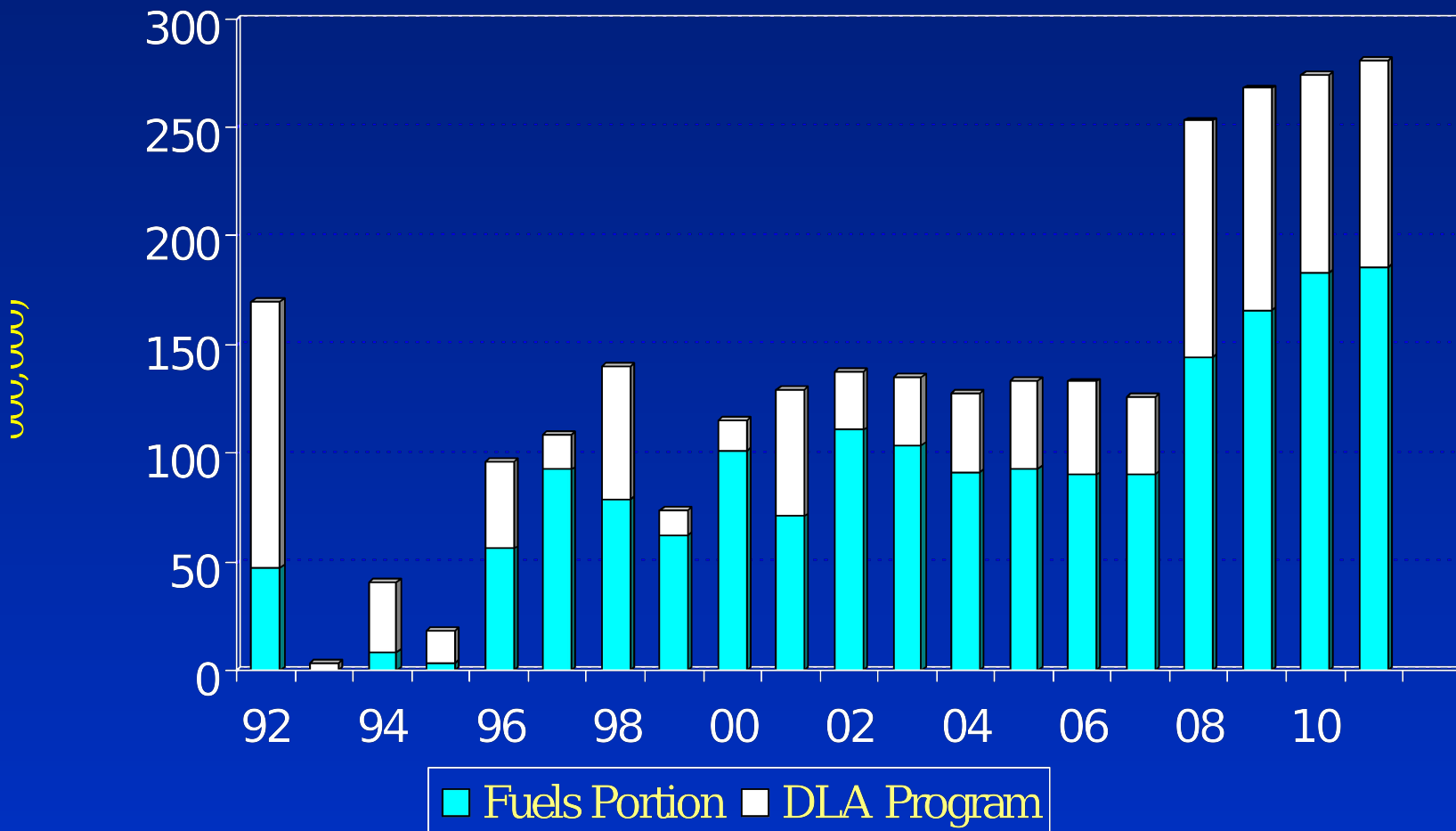
**COMMAND  
PRIORITY**



# MILCON Program Funding History / Projection



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# MILCON Program by Service



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**77 projects**  
**\$1,000.9**  
**million**

**Air Force**

**9 projects**  
**\$105.3 million**

**Marine  
Corps**

**DESC**

**6 projects**  
**\$159 million**

**\$1.75 billion**

**FY96 - 08**

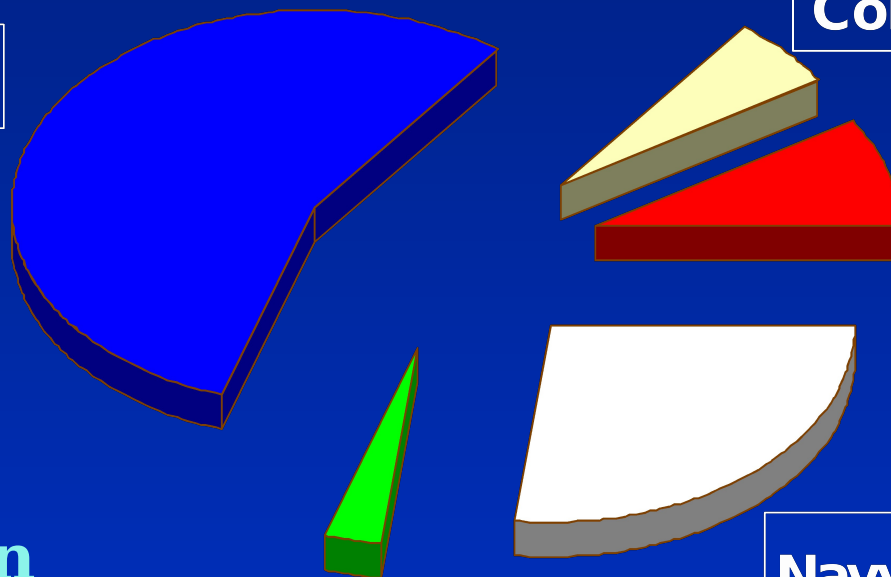
**166**  
**projects**

**Army**

**19 projects**  
**\$53.8 million**

**Navy**

**55 projects**  
**\$485.9 million**





# **MILCON Program Programming Impacts**



- **Rising steel prices and construction costs**
- **Congressional inserts / Agency priorities changing**
- **Missing programming and documentation deadlines**



# **SRM Program**

## **Project Eligibility Criteria**



- **Facilities must store/distribute DLA-owned product**
- **Are of economic benefit to U.S. Government**
- **Project is initiated at DESC request**
- **Meets minimum DoD inventory level requirements**
- **Protects product from loss or contamination**
- **Assures environmental compliance**



# **SRM Program**

## **Project Documentation**



- **DD Forms 1391  
scope of work  
cost estimate**
- **Detailed cost  
estimates**
- **Photographs**
- **Reports, studies, plans**
- **Notices of violation**





# SRM Program Documentation Problems



- Incomplete work description
- Estimates inaccurate or out of date (lump sum costs w/o breakdown)
- **No facility numbers**
- No facility replacement costs
- No DODAACs



# SRM Program Priority System



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**Command  
Priority**

**Category  
Code**

**Facility  
Condition**

**Mission**

**Environmental**

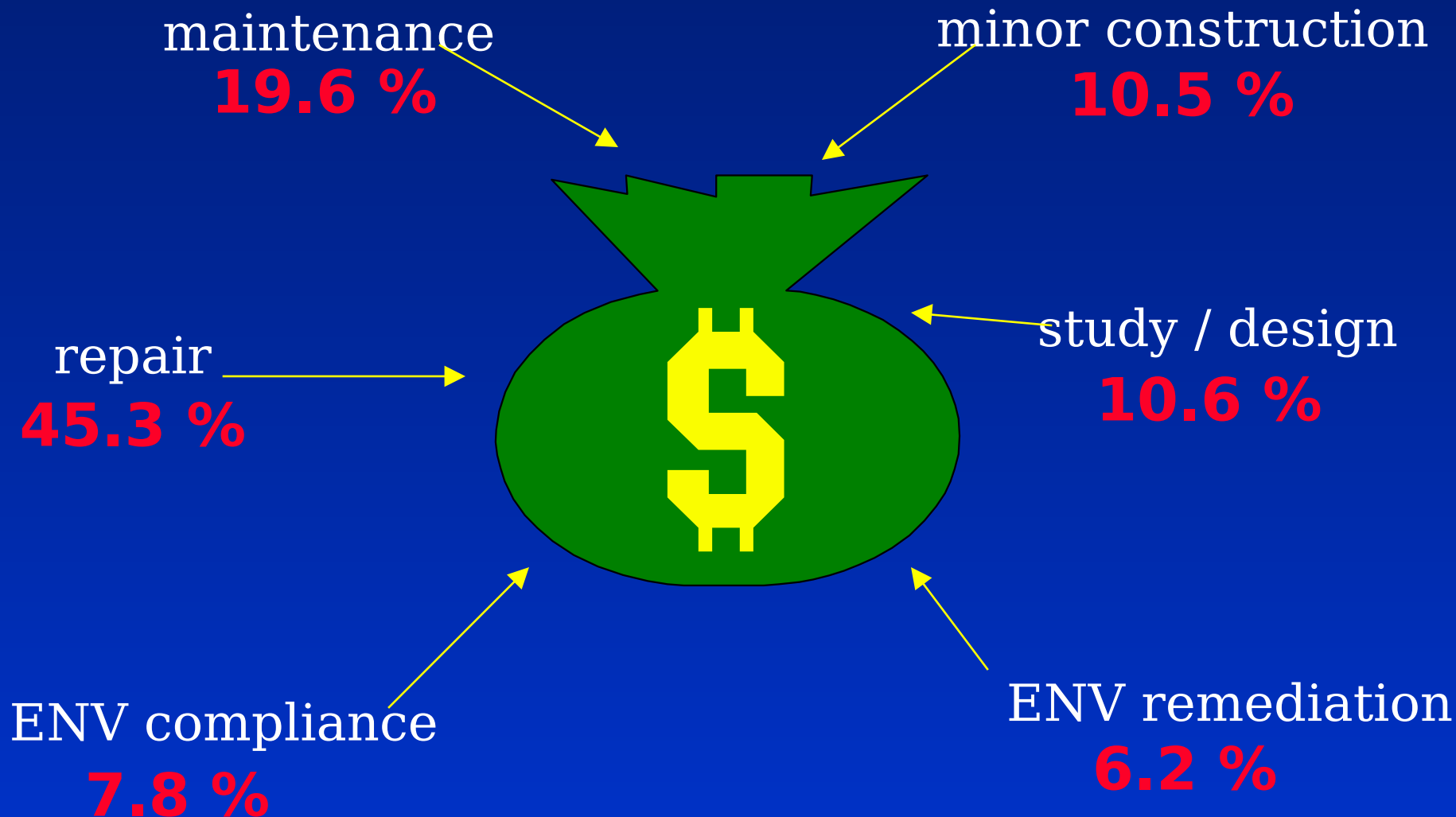
**Safety**



# SRM Program Budget



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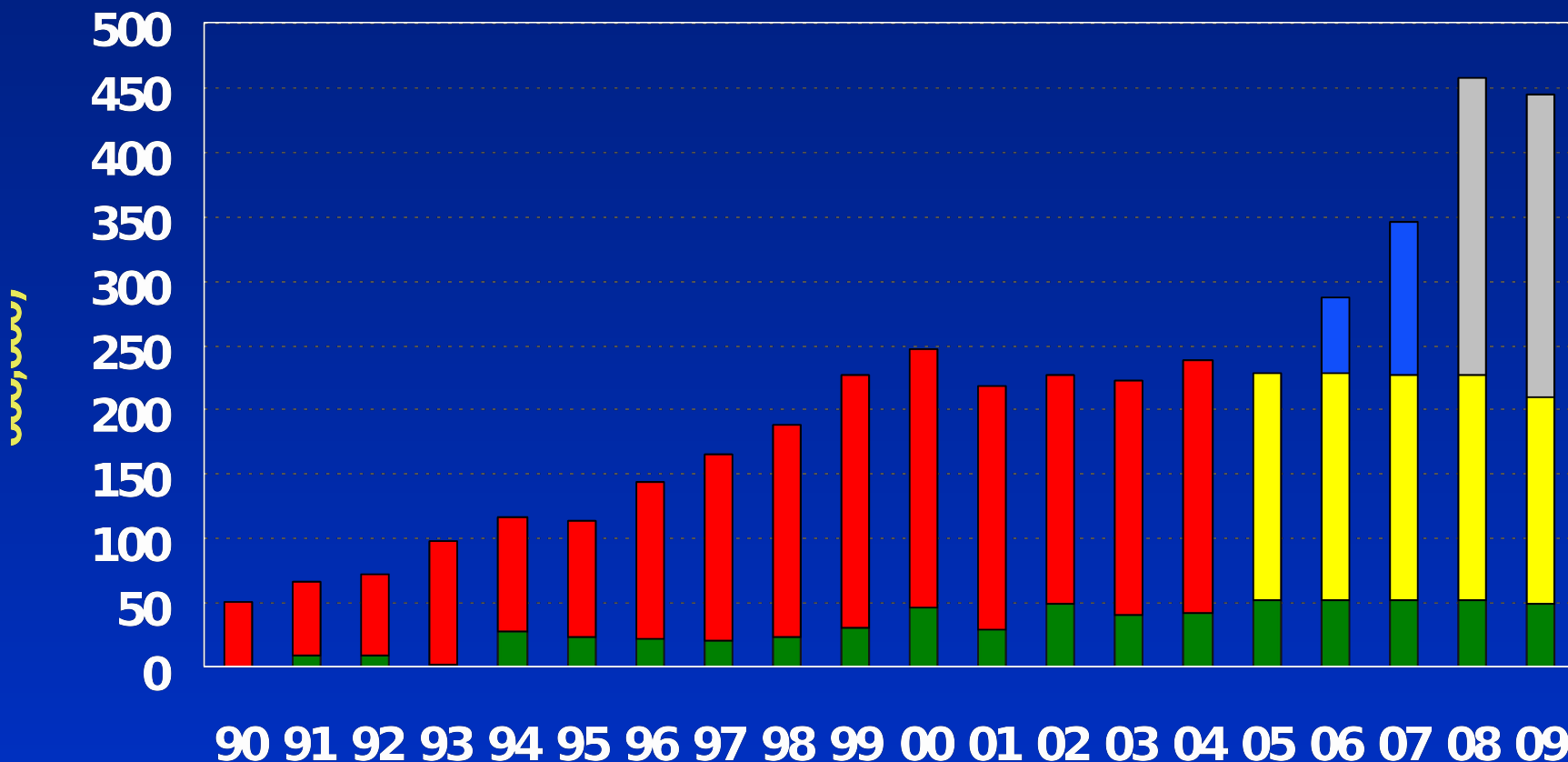




# SRM Program Funding History / Projection



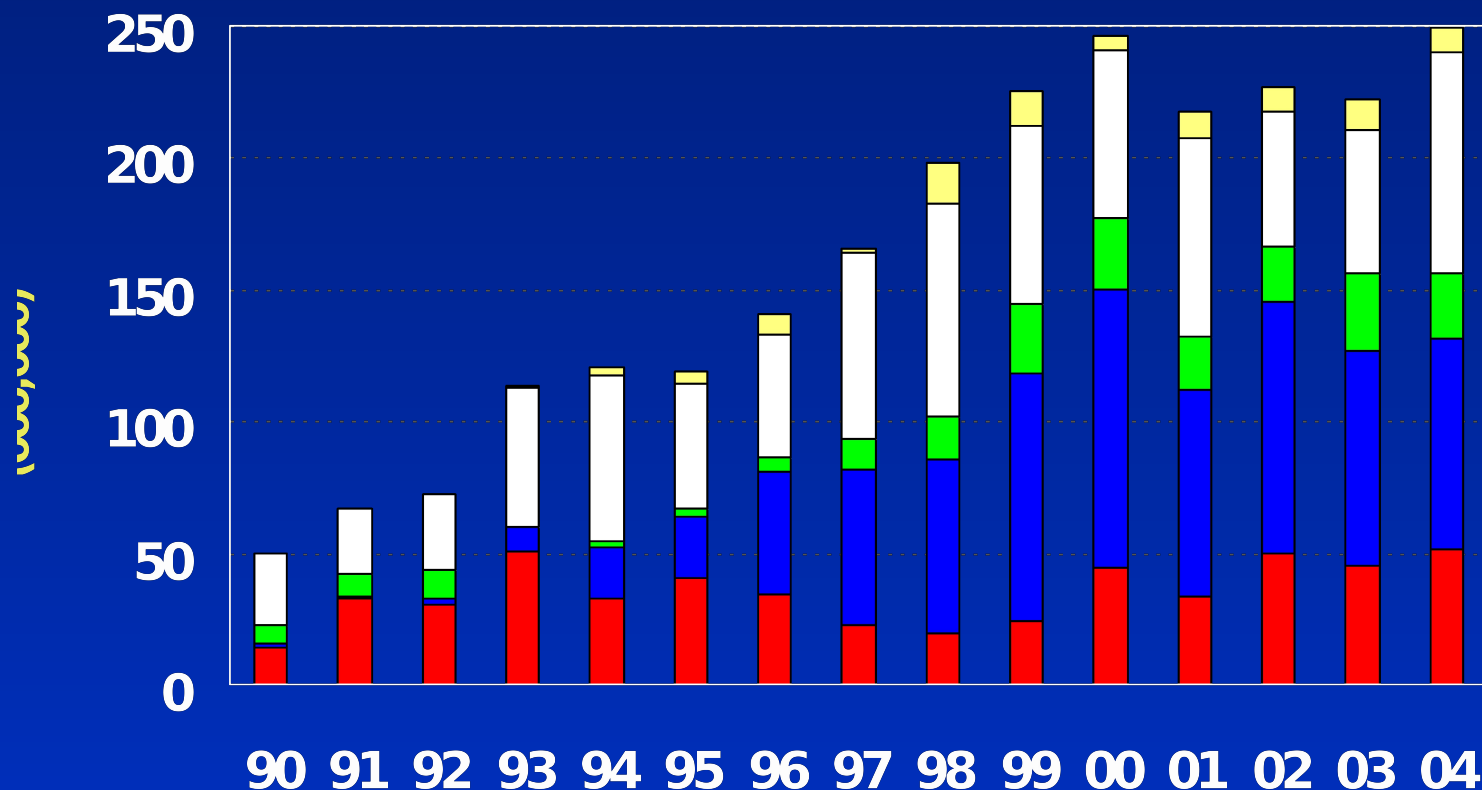
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■ ENV ■ funded ■ projected ■ DLA requested ■ MID 909



# SRM Program by Service



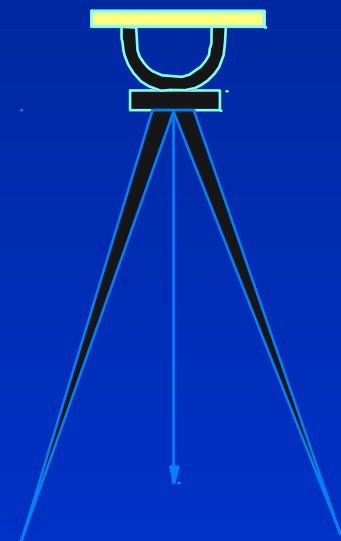
■ DESC ■ Air Force ■ Army ■ Navy ■ Marine Corps



# SRM Program Special Programs



- **Terminal automation**
- **Underwater pier inspections**
- **API 653 tank inspections**
- **Pipeline integrity testing**
- **Pipeline operation manuals**
- **Automatic tank gauging**
- **Automated fuel service stations**
- **Cathodic protection surveys**





# Questions?

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# Feedback?